

**Medicaid Reform
Four State Summaries**

State	Arkansas	Massachusetts	Vermont	South Carolina
Population Beneficiaries* Uninsured **	2,673,400 688,150 26% 20%	6,349,097 1,029,920 16% 10%	608,827 196,200 32% 12%	4,012,012 900,000 22% 17%
Catalyst for Reform	AR implemented an 1115 waiver in 1997 that expanded Medicaid coverage to uninsured children prior to SCHIP. AR then built a large reserve of SCHIP funds which CMS allowed for adult coverage	CMS would not renew the existing 1115 waiver and MA would have lost \$385 M in annual Federal Medicaid payments because funds were not being used as intended under the waiver agreement. IGT's were eliminated	Facing a funding gap of \$80M and increased costs of services, VT negotiated a 5 year funding plan, with greater program flexibility, and a generous administrative reimbursement rate	Waiver is being <i>sought</i> to curb Medicaid cost growth. SC will cap increases in federal funding for the Medicaid program at an average of 7.7%/year/beneficiary subject to the waiver
Financing	Sliding scale premiums, employer taxes, employee cost sharing, SCHIP enhanced FMAP	Redistribution of existing funds, new funds from employer contributions and SGF, tax penalties qualified non-purchasers. Total funding sources remain unclear	CMS provides a \$4.7 billion allotment over 5 years, matching a single high level payment. VT is allowed a 9% annual admin rate. GC tests a modified block grant model	Capped dollar amount per beneficiary based upon age, sex, eligibility category, and health status
Nature of Reform	SCHIP and ESI expansion to cover children with disabilities and low income adults	Preservation of funding for Medicaid and uninsured, established employer sponsored insurance and personal responsibility	Preservation of funding for Medicaid, increased program flexibility, potential expansion based on future savings	Transforms a portion of the Medicaid program from a defined benefit to a defined contribution structure—allowing for increased consumer direction in health care choices
Covered Population	Elderly/disabled, disabled children, low income workers	All MA uninsured, expands child coverage to 300% of the FPL	25% of VT's population is covered by Medicaid, all of which are included, with the exception of the elderly. Children covered to 300% FPL	All populations covered by Medicaid except dual eligibles and children in foster care
Expansion Size	SCHIP/ESI – 55,000 Independent Choices – 1,600	550,000 additional covered lives	No additional beneficiaries were added at start up	SC has not made available an estimate of child Medicaid beneficiaries whose parents have access to employer sponsored health insurance
Expansion Mechanism	Employer Sponsored Insurance	The Connector, a new universal coverage Insurance Brokerage Agency	No expansion, delivery system redesign	Potential Buy In from PHA's for uninsured low income parents of Medicaid enrolled children
Coverage	Flexibility in providing in home services for persons with disabilities, uninsured employees and spouses receive basic safety net coverage	Affordable insurance packages will be offered w/subsidy for low income residents, obtained through a new brokering agency	Reductions in optional services, implements state wide managed care, state becomes MCO	Continuation current Medicaid benefit package for children with no co-payments/adult benefit packages must include currently mandated services, 4 prescription drugs and durable medical equipment. Movement from FFS system to statewide managed care
Waiver	(3) 1115's: Cash and Counseling, Tax Equity Fiscal Responsibility Act (TEFRA), Safety Net Benefit (ESI waiver)	Extension of an existing 1115 – MassHealth. Federally required redesign of side payments for uncompensated care	Combines all waivers into a single 1115 with the exception of elderly	1115 HIFA
Legislation	Legislature approves employer tax collection/ disbursement for ESI	State legislative reform measure	State legislative reform measure	Gubernatorial reform measure Court challenge pending to settle debate whether legislative action is required

* **Kansas:** State Population 2.7 million, Medicaid Beneficiaries 380,650, Beneficiary Percent of Population 14%, Percent uninsured 12%

** Uninsured data Kaiser, State Health Facts U.S. 2004